

RFP AAD-20-070
Financial Statement Audit and Agreed Upon Procedures (AUP) Audit
Questions and Answers

No.	Question	Answer
1	We have obtained USAC's prior year financial statements. Can you provide a copy of the most recently issued AUP report as this will impact the current year AUP due to the requirement to follow-up on prior findings, etc.?	The AUP report is a confidential document and the 2019 AUP report will not be finalized until June/July 2020.
2	Have there been any changes in operations, personnel, prior issues, etc. that would impact the audit (i.e. changes in AUP, new programs, providers, key staff positions, etc.)?	<p>USAC is considering changes to the AUP to eliminate duplicate and redundant procedures and add new procedures related to previously untested areas. The net effect is an overall reduction in the number of procedures, which is subject to FCC approval.</p> <p>Additionally, FCC issued a number of waivers in response to COVID 19 which will impact the procedures and associated results.</p>
3	Is there anything you would like to see done differently as part of the audit process (timing, communications, staffing, etc.)?	For the AUP, the auditors should consider investing time in training and understanding the technical aspects of all four programs, particularly, the High Cost Program to facilitate the reviews.
4	How has COVID-19 affected the organization and do you expect it to impact the audit (i.e. COVID related funding, more work remotely, change in deadlines, etc.)?	USAC remains open for business, the Washington, DC office however remains closed at least until September 8, 2020. If USAC remains in a mandatory telework status after such time, the audit firm will be able to work remotely. The deadlines indicated in the RFP remain valid until otherwise communicated
5	What were the prior year audit fees?	USAC does not share contract pricing.
6	If audit fees are not disclosed, how many hours did the auditors incur and what were the staffing levels (i.e. how many staff in the field, for how long, what levels, etc.)?	For both AUP and FS, team comprised 11 people structured as follows: 1 Partner, 1 Director, 2 Managers, and 7 Experienced/Senior Associates. The engagement spanned 5-6 months for annual audit.
7	The prior year audit is dated later than the specified due date in the RFP. What were the reasons for any delays, are they still an issue, and was the AUP report issued timely?	The audit is completed in the mid-April timeframe and the final report is issued in the June/July timeframe.
8	Are there known or expected changes to the AUP procedures during the contract period and if so, what are they?	The AUP engagement is designed to respond to the changes in USAC's operational risks. Any significant risks or operational changes will already be incorporated

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		in the procedures, which will be approved by the FCC and communicated to the audit firm during the planning phase for the year under review.
9	Are there any restrictions on having certain low risk / low complexity audit or AUP tasks completed by an off-shore delivery / shared service center assuming all work completed by an off-shore delivery / shared service center would be final reviewed by the US audit / AUP team?	No.
10	Page 6 (Paragraph V.D and V.E) – Please confirm whether or not audit workpapers will be required to be submitted to USAC management. Normally, only individuals performing audit oversight have access to audit workpapers; for example, the FCC OIG.	Audit work papers will not be required to be submitted to USAC. However, the audit firm will be required to make such documents available upon FCC request, if necessary.
11	Page 6 (Paragraph VI.A.4) – Please confirm that USAC management will not review and revise the audit program. Normally, only individuals performing audit oversight have access to the audit program; for example, the FCC OIG. Additionally, please describe the types of modifications FCC OMD will make.	As codified in 47 § 54.717, the FCC Office of Managing Director (OMD) provides oversight of the audit and agreed upon procedures engagement; and thus reserves the right to review and revise the audit and AUP program. USAC will review and revise the AUP program, in conjunction with the FCC, prior to the commencement of work.
12	Is the 2019 audit completed yet, and if so, could a copy of that report be provided?	The 2019 audit is completed, but the report is not finalized and cannot be provided at this time. The USAC Annual Report is on our website.
13	Are there any material weaknesses or significant deficiencies in internal controls reported as part of the most recently completed audit?	There are no material weaknesses or significant deficiencies on the FS audit.
14	Are there any significant changes in operating activities, information technology systems or service providers in 2020 versus the past that would impact the audit or agreed upon procedures?	No.
15	Is there a detailed timeline available for the agreed upon procedures work or could you provide an idea of the time periods spent by auditors on planning, testing and execution and reporting in the past?	<ul style="list-style-type: none"> ○ Aug-Sep – USAC Planning (Updating Procedures) ○ Oct-Nov – Audit Firm Planning

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		<ul style="list-style-type: none"> ○ Dec-Mar – Substantive Testing ○ Apr 15 – Draft report due to FCC ○ June 30 – Final Report due to FCC
16	Is a firm who is on the USAC Contract for Beneficiary and Contributor Performance Audit Services prohibited from doing this work?	Offerors's should refer to Section C. XXVIII (Conflict of Interest) in the RFP. It is essential that any Contractor providing Services or Deliverables in support of USAC's administration of the USF maintain the same neutrality, both in fact and in appearance, and avoid any conflict of interest or even the appearance of a conflict of interest. If a prospective Contractor has an actual, potential, or apparent conflict of interest, as part of its response to the RFP, the prospective Contractor must: (1) clearly label its relationship as an, actual, potential, or apparent conflict of interest (2) notify USAC's Office of General Counsel, and (3) provide USAC with the means by which it proposes to avoid, neutralize, or mitigate such conflict.
17	If a confidentiality agreement between USAC and the offeror which was mutually agreeable to both parties exists and is active, is a new confidentiality agreement required to be submitted with the bid / proposal?	Each new engagement requires a new confidentiality agreement by each prospective Contractor.
18	Page 32 Section E; V.B.7.a – Please clarify what is meant by "executive peer advisors". Please confirm the resumes for the executive peer advisors can be included as part of Attachment 2.	Offerors must provide resumes for the Key Personnel identified in Section B.VII.B of the RFP. The RFP has been revised to reflect this. Changes to the RFP are in red font.
19	Section A, item VI. B. 3. a-c makes reference an 18-month plan, incident response analysis, and the development of monthly metrics that measure the security programs effectiveness. Section E, item V. B. 2. makes reference to providing a summary detailing the offeror's experience providing security control assessments. Please clarify / provide additional information and context around if / how these	The subfactors listed in Section B.VI. B. 3 and experience with security control assessments are not required for this RFP. The RFP has been revised to reflect this. Changes to the RFP are in red font.

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	items are applicable and relevant to the audit / AUP services being sought.	
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